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THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
STATEMENTS OF ACTIVITIES, FUNCTIONAL EXPENSES,
AND CASH FLOWS

JUNE 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/21/09

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December 29, 2008

Board of Directors
The Coordinating and Development Corporation (CDC)
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying statement of financial position of the Coordinating and Development Corporation (CDC) as of June 30, 2008, and the related statement of activities and functional expenses, cash flows, and changes in assets and liabilities of the agency fund for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coordinating and Development Corporation (CDC) as of June 30, 2008, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements of Coordinating and Development Corporation (CDC) taken as a whole. The supplementary financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

HMV

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In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2008 on our consideration of the Coordinating and Development Corporation (CDC)'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Heard, McElroy & Vestal, LLP

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
JUNE 30, 2008

Assets

Current

Cash & Cash Equivalents	\$ 411,358
Accounts Receivable	220,695
Current Portion of Notes Receivable	<u>11,315</u>

Total Current Assets	<u>643,368</u>
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Other Assets

Investments	349,956
Certificates of Deposit	254,330
Notes Receivable (Net of Current Portion & Allowance for Uncollectibles of \$3,050)	<u>11,058</u>

Total Other Assets	615,344
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Equipment (Net of Accumulated Depreciation of \$31,707)	<u>0</u>
--	----------

Total Assets	<u><u>\$ 1,258,712</u></u>
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Liabilities & Net Assets

Current

Accounts Payable	\$ 180,250
Cash Deficit	38,169
Other Payables	20,665
Notes Payable - Current Portion	<u>71,271</u>

Total Current Liabilities	<u>310,355</u>
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Long Term Liabilities

Notes Payable (Net of Current Portion)	658,530
Vacation Fund Payable	<u>1,124,973</u>

Total Long Term Liabilities	<u>1,783,503</u>
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Total Liabilities	<u>2,093,858</u>
-------------------	------------------

Net Assets (Deficit)	<u>(835,146)</u>
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Total Liabilities & Net Assets	<u><u>\$ 1,258,712</u></u>
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See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Unrestricted</u>
Revenues	
Step	\$ 182,218
Workforce Development	2,921,625
Neg	107,678
Marketing & Economic Development	9,000
Economic Development	188,782
Dues & Other	1,001,013
Interest Income	22,619
Community Development	98,649
Tri District	<u>6,998</u>
Total Revenues	<u>4,538,582</u>
Unallocated Payments from Affiliated Organizations	<u>0</u>
Total Revenues and Unallocated Payments from Affiliated Organizations	<u>4,538,582</u>
Program Services	
Workforce Development/Step/Neg	<u>2,871,691</u>
Total Program Services	<u>2,871,691</u>
Supporting Services	
Interest Expense	10,056
Management & General	<u>1,296,669</u>
Total Supporting Services	<u>1,306,725</u>
Unallocated Payments to Affiliated Organization & Charities	<u>683,987</u>
Total Expenditures & Unallocated Payments To Affiliated Organizations	<u>4,862,403</u>
Decrease in Net Assets	(323,821)
Net Assets (Deficit) at Beginning of Year	<u>(511,325)</u>
Net Assets (Deficit) at End of Year	<u><u>\$ (835,146)</u></u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
PROGRAM SERVICES
FOR THE YEAR ENDED JUNE 30, 2008

	Program Services					
	TRAINING	ECONOMIC DEVELOPMENT	COMMUNITY DEVELOPMENT	LENDING	MARKETING & ECONOMIC DEVELOPMENT	SUPPORT SERVICES
						TOTAL
Revenues	\$ 3,211,521	\$ 188,782	\$ 98,649	\$ 6,998	\$ 9,000	\$ 1,001,013
						\$ 4,515,963
Expenditures						
Administrative Cost						
Salaries and Fringe Benefits	203,398	136,756	105,844	31,106	36,425	134,619
Fringe Benefits	84,316	35,614	36,110	12,129	9,550	65,395
Office Rent	12,026	10,903	11,559	5,747	4,938	112,972
Contractual	0	0	0	0	5,944	0
Office Supplies	5,529	3,149	4,002	0	1,967	2,829
Vehicle	0	0	0	0	2,225	0
Equipment Rental	3,290	1,039	1,102	175	326	24,263
Printing	1,764	1,767	1,873	0	0	386
Postage	2,076	1,497	1,586	77	0	1,218
Telephone	616	551	584	327	0	1,351
Advertising	1,487	1,230	1,307	0	250	5,044
Insurance	72	1,092	1,577	1,690	0	4,431
Dues/Meetings	281	794	2,518	4,618	1,571	17,371
Accounting/Professional Fees	6,313	1,020	0	6,598	45	2,089
Other Administrative Expenses	8,860	8,468	7,191	1,598	3,131	66,650
Travel	9,802	2,266	3,646	0	2,087	6,390
Bad Debt	0	0	0	(1,307)	0	0
						(1,307)
Total Administrative Cost	339,830	206,146	178,899	62,758	68,459	440,577
						1,296,669
Training/Support/Vendor Admin.	2,871,691	0	0	0	0	0
						2,871,691
Total Expenditures	\$ 3,211,521	\$ 206,146	\$ 178,899	\$ 62,758	\$ 68,459	\$ 440,577
						\$ 4,168,360

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

Cash Flows From Operating Activities

(Decrease) Increase in Net Assets \$(323,821)

Adjustments To Reconcile Change In Net Assets
To Net Cash (Used) Operating Activities

Bad Debt Recovery	1,307
Increase in Accounts Receivable	(89,566)
Increase in Accounts Payable	53,477
Increase in Other Payables	4,446
Increase in Cash Deficit	<u>38,169</u>

Net Cash (Used) By Operating Activities (315,988)

Cash Flows From Investing Activities

Purchase/Sale of Securities	390,271
Repaid Notes Receivable	8,264
Increase in Vacation Fund Payable	<u>25,418</u>

Net Cash Provided By Investing Activities 423,953

Cash Flows From Financing Activities

Loans Repaid	(116,137)
Debt	<u>40,000</u>

Net Cash (Used) By Financing Activities (76,137)

Increase in Cash & Cash Equivalents 31,828

Beginning Cash & Cash Equivalents 379,530

Ending Cash & Cash Equivalents \$ 411,358

Note: No income taxes were paid for the year.

Interest of \$10,056 was paid during the year and none was capitalized.

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE A - ACCOUNTING POLICIES

1. The accompanying financial statements have been prepared on the accrual basis, whereby all revenues are recognized when earned and expenditures are recorded when incurred. The Coordinating and Development Corporation (CDC) uses funds to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain grants/programs/divisions. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are used to account for all of CDC's activities, and divisions are used to provide for segregation of programs within CDC.
2. The Coordinating and Development Corporation (CDC) is a private, not-for-profit, IRS Section 501(c)(4) Corporation. The Corporation operates primarily in the ten parishes of Northwest Louisiana. It is governed by an elected Board of Directors and provides business, industrial and economic development to both the private sectors and area governments.
3. Depreciation - Depreciation is provided on the straight line method over the useful life of the office equipment. Equipment is recorded at cost, and includes all items with cost exceeding \$500 and a useful life greater than one year.
4. Cash & Cash Equivalents - The Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.
5. Divisions - The following divisions, reported as funds, are maintained:
 1. Division of Economic Development
 2. Division of Workforce Development
 3. Division of Project Review
 4. Division of Natural Resources
 5. Division of Local Funds
 6. Division of Community Development
 7. Division of 8%
 8. Division of IRP
 9. Division of TD
 10. Division of Marketing & Economic Development
 11. Division of Culture, Recreation & Tourism
 12. Division of Step

The reporting of all divisions in one report is in compliance with OMB Circular A-133.

6. Transfers In/Transfers Out - Transfers in/out represents funding from/to the Division of Local Funds.
7. Budgets - Budgets are not required for all divisions.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE A - ACCOUNTING POLICIES (continued)

8. Investments - Investments are presented in the financial statements at fair market value.
9. Temporarily Restricted Assets - As discussed in Note C, the Company has a policy that reimburses employees for unused vacation time, which is reflected as a restricted asset. These restrictions will expire when the vacation time is used or the individuals retire.
10. Capitalized Interest - The Company did not capitalize interest in year ended June 30, 2008.
11. Advertising - The Company expenses non-direct response advertising as incurred.
12. Impairment - The carrying value of property, equipment and intangibles is evaluated periodically in relation to the operating performance and future undiscounted cash flows of the underlying businesses. Adjustments are made if the sum of expected future cash flows is less than book value. For the year presented, no adjustment was necessary.
13. Collateral - On all loans through the Division of IRP, the Company requires adequate collateral and secures a mortgage which is usually real estate.
14. Allowance for Doubtful Accounts - The Company evaluates its losses annually on the IRP Division and records this as an allowance. Bad debts are written off directly as they are identified, and a minimum allowance of 6% of the net loan balance is reserved.

Interest income is recorded as earned. The Board will write off notes/accounts receivable at such time as all efforts have been exhausted to recover the asset. Loans are considered past due when payments are 30 days in arrears.

NOTE B - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended 6/30/08 are as follows:

<u>Receivable</u>	<u>Division</u>	<u>6/30/08 Amount</u>
LA Dept. of Labor	Neg	\$ 3,442
LA Dept. of Labor	Step	5,859
LA Dept. of Labor	Workforce Development	114,356
Var. Municipalities	Community Development	53,816
Colson	Tri District (TD)	4,352
Var. Municipalities	Ed	25,550
Var. Municipalities	Ind/Mkt	8,250
Interest	IRP	895
Various	Local Funds	<u>4,175</u>
		<u>\$220,695</u>

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE C - VACATION ESCROW

During the year ended 6/30/90, the Company began accruing the funding for its vacation fund, which allows personnel who leave or retire the ability to sell back their unused vacation time.

During the current year, additional time earned and raises resulted in the following adjustments to the account:

FYE 6/30/08	\$ 1,099,555
Change	<u>25,418</u>
Unfunded	<u>\$ 1,124,973</u>

The vacation fund is unfunded at year end and is reflected as a liability to the local fund.

NOTE D - INVESTMENTS

The following funds are held in the IRP Division:

	Market Value @ 6/30/08
The Bank of New York Trust Company	<u>\$ 349,956</u>

NOTE E - RELATED PARTIES/AFFILIATES

The CDC operated several divisions and is affiliated with three active nonprofit entities and two for-profit entity as follows:

Affiliates

- (A) Tri District Development Corporation (TD) - A revolving loan program of which CDC membership constitutes 1/3 control. This entity's year end is 9/30. During the year ended 6/30/08, the Corporation received \$6,998 in revenues from Tri District.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE E - RELATED PARTIES/AFFILIATES (continued)

- (B) Ark-La-Tex Investment & Development Corporation (AIDC) - This Company is responsible for funding 503/504 loans. This entity's year end is 9/30. During the year ended 6/30/08, the Company paid AIDC rent on its office buildings and equipment in Shreveport, Louisiana and Natchitoches, Louisiana on a 30 day lease totaling \$350,916. CDC contributed \$538,889 to AIDC in 6/30/08.
- (C) Ark-La-Tex Regional Export & Technology Center, Inc. (ARETC) - A nonprofit entity responsible for implementing/developing import/export economical advances in the ten parish area. During the year ended 6/30/08, CDC paid the Company \$141,358.
- (D) Red River Valley Bidco Inc. (RRVB) - A for-profit entity owned by AIDC formed to encourage the formation of business and industrial development corporations.
- (E) N.W.E.D. Inc. - A for-profit entity.

Divisions

- (A) Division of Economic Development - Funded by the federal government and CDC, whose purpose is to aid in economic growth in the surrounding ten parish area. This program requires a matching commitment of 75/25. For the year ended 6/30/07, CDC had transferred \$17,364 in Local Division funds. During the current year, the Division received the following revenues:

Various	\$ 58,782
Federal Funds	<u>130,000</u>
	<u>\$188,782</u>

- (B) Division of Community Development - Funded by contracts with entities to provide administrative services for entities receiving Louisiana Community Development Block Grant (LCDBG) funds. In prior years, the Division was called "Division of Planning & Programming". During the current year, the Division received \$154,193 of Local Funds.
- (C) Division of Natural Resources - Funded by the Louisiana Association of Planning & Development Districts and CDC. There was no activity during the current year.
- (D) Division of Project Review - Its purpose is to review federal grants. There was no activity during the current year.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE E - RELATED PARTIES/AFFILIATES (continued)

- (E) Division of Culture, Recreation & Tourism - Funded in prior years to promote tourism to Northwest Louisiana. There was no activity during the current year.
- (F) Division of Local Funds - All other activities. For the year ended 6/30/08,
- (G) Division of Marketing & Economic Development - This program is a joint agreement between the Parish of Caddo and CDC for the promotion of Caddo Parish, LA. During the year, the Division received \$59,459 from Local Funds.
- (H) Division of IRP - A relending program administered by CDC as further described in Note Q.
- (I) Division of TD - This program represents funds received in managing/administering Tri District Development Corporation, a related entity whose purpose is administration of revolving loan fund. The Division received funding of \$0 from Local Funds.
- (J) Division of Step - Job Readiness (JR) activities provide participants an opportunity to engage in activities that are beneficial to their move toward self-sufficiency and their family's well being. The Step process is to prepare the client to find a job as quickly as the participants workplace literacy level, job skills and experience allow and or assist participants in the area of job retention and income growth.

NOTE F - OPERATING LEASES

The Company leases facilities & equipment owned by Ark-La-Tex Investment & Development Corporation and is currently leasing under a 30 day lease agreement. Facilities are located in Caddo, Desoto, Bossier, Webster and Natchitoches Parish.

NOTE G - RETIREMENT PLAN - DEFINED CONTRIBUTION

The Company contributed \$73,894 during the year ended 6/30/08, and all employees with greater than six months employment with the Company are eligible. The Company contributed 15% of the employees' gross pay.

	<u>Local Fund</u>	<u>WIA</u>	<u>Total</u>
J P Morgan	<u>\$ 53,167</u>	<u>\$20,727</u>	<u>\$73,894</u>

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE H - INDIRECT COSTS

The Company allocated indirect costs as follows:

	Amount For <u>6/30/08</u>	Allocation <u>Formula</u>
Rent	\$ 261,729	Direct Labor/Revenue
All Other Administrative Expenses	(Less than \$50,000)	Direct Labor/Revenue

NOTE I - WIA

CDC acts as a recipient/subrecipient of WIA funds from the State of Louisiana, Department of Regulatory Services (Labor). All revenues represent reimbursed cost under the terms of the various contracts with the State.

1. WIA-Adult

The purpose of this portion of WIA is to establish programs to prepare unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals who are in need of such training to obtain productive employment.

WIA-Youth

Programs under this part are conducted year round. Individuals eligible under this part must be economically disadvantaged and between the ages of fourteen and twenty-one.

WIA-Dislocated Worker

This program allows for dislocated workers to be retrained and prepared them to re-enter the labor force.

2. Training - Classroom

This is used to record costs of tuition, books, and tools, if necessary, for program participants.

3. Training - Work Experience

This is used to record the expenditures associated with the part of the program that gives participants an introduction to the "world of work".

4. Training - OJT

This is used to record expenditures associated with on the job training. When an individual meets the requirements to enter this program, WIA will reimburse the individual's employer for one half of the participant's salary for a period not to exceed six months.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE I - WIA (continued)

5. Support Service

Cost of supportive services which are necessary to enable an individual eligible for training under WIA, but who cannot afford to pay for such services, to participate in a training program funded under WIA.

6. Participant Support

Accounts for payments made to participants in the WIA programs.

7. Administrative

Administrative costs are limited to ten/thirty percent of the total contract, depending on the program.

8. History

The WIA Division is administered by The Coordinating and Development Corporation (CDC) which is a corporation exempt from income tax under Internal Revenue Code Section 501(c)(4). The Coordinating and Development Corporation (CDC), originally organized and chartered in 1954, is a not-for-profit, private corporation whose service area includes the ten parishes and ninety-two municipalities of Northwest Louisiana. CDC provides a wide range of services to its membership through its six operating Divisions: Economic Development, Workforce Development, Community Development, IRP, TD, Marketing & Economic Development and Local.

The Coordinating and Development Corporation (CDC) also provides specialized services to its membership through assisting the following corporations: Ark-La-Tex Investment & Development Corporation, Mid-Continent Capital Corporation, Tri District Development Corporation, River Cities High Technology Group, Inc., Industrial Trust Corporation, Louisiana Foreign Sales Corporation, Ark-La-Tex Regional Export and Technology Center, Inc., and the Red River Valley BIDCO, Inc. Services include: business investment and finance, employment and training, public works and infrastructure, economic development, international business development, planning and management, energy conservation/natural resources and aesthetics development.

9. NEG (National Emergency Grant)

In 2005, Hurricane Katrina caused extensive damage to the coastline and communities of South Louisiana. In response to this natural disaster and in an effort to supplement State and local efforts and capabilities to save lives and to protect property and public health and safety, and to provide assistance to eligible dislocated workers. Federal assistance was made available through the Hurricane Katrina Project One, a disaster grant awarded under the National Emergency Grants Program, in accordance with Sec. 173 of the Workforce Investment Act. The Louisiana Department of Labor (LDOL) is the grantee for this project and hereafter may be referred to as "recipient".

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE I - WIA (continued)

9. NEG (National Emergency Grant) (continued)

Hurricane Katrina and the resultant flooding resulted in the displacement of approximately 1.2 million individuals in the New Orleans metropolitan region, the Florida Parishes of Southeast Louisiana and the surrounding areas. It is estimated that approximately 750,000 of this number were working at the time of displacement. Many of these displaced individuals will not be able to return to their homes for a substantial period of time. Based on this massive dislocation, this grant will be used to provide temporary employment for Katrina displaced individuals for up to twelve (12) weeks.

CDC will recruit and place participants in temporary jobs in public and non-profit entities that include projects that provide food, clothing, shelter and other humanitarian assistance for individuals struck by the disaster.

10. Navigator (DPN)

The Disability Program Navigator (Navigator) is the focus of a 2-year pilot demonstration project jointly sponsored by the Department of Labor, Employment and Training Administration (DOL/ETA) and the Social Security Administration, Office of Program Development and Research (SSA/OPDR).

The Navigator serves as a consultant to the workforce investment community within their service area to ensure the availability of comprehensive knowledge on Federal, State, local and private programs that impact the ability of persons with disabilities to enter and remain in the workforce. The Navigator facilitates universal access to the One-Stop system for persons with disabilities.

This contract is a regional initiative in which a Navigator will be hired to address needs of people with disabilities seeking training and employment opportunities through the Career Solutions Centers in Region 7. The Seventh Planning District Local Workforce Investment Area (LWIA 70), the subrecipient, shall serve as the fiscal agent and the lead liaison for all implementation of services described in the duties of the Navigator.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE I - WIA (continued)

10. Navigator (DPN) (continued)

The two (2) Local Workforce Investment Areas in the Region 7, Seventh Planning District (LWIA70) and City of Shreveport (LWIA71) shall develop a working agreement, which shall define and mutually agreed upon the Navigator's scheduled work hours, pay, performance, job responsibilities, day-to-day activities and supervision, reporting requirements, the monitoring and oversight of this initiative and the expected outcomes of this initiative in developing regional strategies to better serve disabled individuals through the Career Solutions system. This agreement must be consistent with the goals and Description of Service Navigator Position (Attachment A) of this contract and shall be considered an addendum to this contract.

Goals/Objective

The Navigator will advise, train and support their regional Career Solutions Centers and Business Solution Centers in the provision of outreach, career development and staffing practices necessary to improve services to individuals with disabilities.

11. Trade Assistance Adjustments

The Trade Act of 1974, as amended by the Trade Reform Act of 2002, created a program of Trade Adjustment Assistance (hereinafter may be referred to as TAA) to assist individuals who become unemployed as a result of increased imports from or shift in production to another country, to suitable employment. The TAA program provides for reemployment services and allowances for eligible individuals.

The Louisiana Department of Labor's Office of Workforce Development believes that there are both philosophical and logistical reasons for integrating the Trade Act programs with WIA. Trade-affected workers are by definition, dislocated workers. Under WIA, complete integration of the services that all dislocated workers receive is an essential element of a seamless delivery system. To facilitate this process, the Trade Adjustment Assistance program is a required partner in the Career Solution Centers' service delivery system and is required to be accessible there. The delivery of services and benefits under the Trade Act programs should be integrated with other WIA programs and partners to improve services, maximize resources, avoid duplication, and enhance outcomes for all customers.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE I - WIA (continued)

11. Trade Assistance Adjustments (continued)

Scope of Services

The Subrecipient shall: (1) coordinate the delivery of reemployment services (i.e., job search allowances, relocation allowances, and subsistence) to trade-affected workers, which also falls within the WIA programs sequence of services (core, intensive, and training) and (2) provide allowable TAA employment and training activities.

Trade-affected workers will access reemployment services as any other dislocated worker. Trade-affected workers will be registered into LAVOS and co-enrolled as WIA Adult/Dislocated Worker participants. If services involve job search and/or job relocation allowance, the Trade Adjustment Assistance program resources may be utilized. Skills Development staff will complete all applicable forms and assessments. If training is recommended, the Trade Act program resources may be utilized to pay for the cost of training (tuition, books, supplies, etc.). If a trade petition is approved after a WIA Adult/Dislocated Worker starts training, Trade Adjustment Assistance funds cannot be used to retroactively pay for training. However, it is possible for these funds to pay for future costs associated with training. When Trade Act program resources are used to cover the cost of training, a WIA Individual Training Account of scholarship will not be issued.

Eligible Participants and Limitations on Participation

Individuals eligible to be served under this contract are trade impacted workers who have been laid off, or who are currently employed and have received notice of lay-off as a result of increased imports from or shift in production to another country. Status must be verified through a certified petition received from USDOL.

12. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. All appropriations lapse at year end.

13. Equipment

Equipment purchased by the Labor funds remains the property of the grantor and is not capitalized. Total cost of equipment owned by Labor currently being used by CDC is:

Workforce Development \$700,093

NOTE J - UNRESTRICTED ASSETS

All funds are unrestricted for use within the funds. In prior years, the vacation fund was restricted; however, management has determined this to be unrestricted.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE K - EQUIPMENT

During the year ended 6/30/08, the following occurred:

	<u>Life</u>	<u>Method</u>	<u>6/30/07</u> <u>Balance</u>	<u>Additions</u>	<u>6/30/08</u> <u>Balance</u>
Furniture & Equip.	5-7yrs.	S/L	\$31,707	\$ 0	\$31,707
Accumulated Depr.			<u>31,707</u>	<u>0</u>	<u>31,707</u>
Net			<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

All repairs during the year were expensed.

NOTE L - CASH & CERTIFICATES OF DEPOSIT

Cash & Certificates of Deposit consist of the following:

<u>Division</u>	<u>Banking</u> <u>Institution</u>	<u>Amount @</u> <u>June 30, 2008</u>
Certificates of Deposit	Red River Valley Bank	\$ 100,000
	Chase	<u>154,330</u>
		<u>\$ 254,330</u>
Checking Accounts		<u>\$ 95,393</u>
From Note D		<u>\$ 349,956</u>
	JP Morgan Trust	<u>\$ 315,965</u>

The monies at each banking institution are insured for \$100,000. The monies at each brokerage institution are insured for \$500,000. The uninsured amount @ 6/30/08 is \$190,677.

NOTE M - LOCAL FUND REVENUES

Revenues for the year consisted of:

Economic Development Funds	\$ 350,000
Dues	287,767
Other	68,847
Administrative Funds from	
Red River Valley Bidco, Inc.	103,687
Facility Planning Funds	<u>190,712</u>
	<u>\$ 1,001,013</u>

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE N - ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE O - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments approximates the carrying (book) value because of the short maturity of these assets.

NOTE P - OPERATIONS/CREDIT RISK

The Company is dependent upon the continuance of the government grant funding to support the economic development in the ten parish area. The loans are subject to risk of collection; however, the management believes the collateral is adequate.

NOTE Q - IRP LOANS

The Company has entered into a relending program with the United States Department of Agriculture (USDA) through the Rural Development Program. The program allows for a total lending program of \$890,762 @ 1% interest, principal due over a 27 year amortization beginning after the program's third year. The monies are advanced/loaned by USDA upon loan approval to qualified businesses. As of 6/30/08, the following has transpired:

	(Notes Payable) Loans From USDA
Amortization	
6/08	\$ 31,271
6/09	31,584
6/10	31,901
6/11	32,219
6/12 & Thereafter	<u>562,826</u>
	<u>\$ 689,801</u>

The Company has made a total of nine loans @ 6/30/08. The Company has charged 6-9.5% interest on debt and loans are normally for 10 year terms.

Notes Receivable	\$ 25,423
Current Portion	(11,058)
Allowance	<u>(3,050)</u>
	<u>\$ 11,315</u>

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE Q - IRP LOANS (continued)

The reserve is estimated to be 12% of the unpaid balance.

Accrued interest @ 6/30/08 is \$895.

<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Lendee</u>	<u>Original Loan</u>	<u>Balance @ 6/30/08</u>
October, 2001	8.0	10 years	Rockin Rooster	\$ 100,000	\$ 0
July , 1999	9.5	10 years	H. Fanning	52,000	0
January, 2000	6.0	10 years	Hendrix Mfg.	222,000	0
November, 1998	9.5	9 years	KJH Investments	135,000	0
January, 1999	9.5	15 years	Kajohn Inv.	150,000	0
November, 1998	9.5	7 years	Lites Brothers	50,725	0
October, 1999	7.5	10 years	Plantation Silk	81,000	0
October, 1999	8.5	10 years	Rivertown Dev.	100,000	25,423
July, 2000	7.5	12 years	Rolling Knolls	120,000	0
				<u>\$1,010,725</u>	<u>\$ 25,423</u>

Plantation Silk was written off in the prior year as being uncollectible.

Due 6/09	\$ 11,315
6/10	<u>14,108</u>
	<u>\$ 25,423</u>

All loans are current at June 30, 2008.

NOTE R - BOARD OF DIRECTORS

All services are on a voluntary basis. The board members were only reimbursed travel expenditures.

NOTE S - RISK MANAGEMENT

The Company is exposed to various risk of loss and insured against these losses through comprehensive commercial insurance. Claims resulting from these losses have historically not exceeded insurance coverage.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE U - NOTES PAYABLE HIBERNIA

On December 23, 2003, The Coordinating and Development Corporation received a letter of credit of \$2,150,000, maturity date January 1, 2015 from Hibernia Bank, which is secured by certain pieces of real estate owned by AIDC and the following Certificates of Deposit held under the name of The Coordinating and Development Corporation.

Hibernia CD, dated 3/15/08, maturity
date 3/15/10, interest rate 3.3% \$ 254,617

This CD was assigned to AIDC.

This letter of credit is collateral for bonds borrowed by The Coordinating and Development Corporation from the Louisiana Local Government Environmental Facilities & Community Development Authority Rev Bonds for the same amount (\$608,513) payable at floating interest rate, which at 6/08 was 4.465%.

The Coordinating and Development Corporation has assigned all of this to AIDC in that the purpose of the loan is to develop buildings in Northwest Louisiana and the repayment of this debt is to come from rentals.

An additional loan from Hibernia to The Coordinating and Development Corporation of \$520,000, with varying interest rates secured by funds held by The Coordinating and Development Corporation has also been assigned to AIDC. This was paid off during the year.

This debt is reflected as being owed by AIDC as per the agreement between the two entities.

NOTE V - NOTES PAYABLE

The Company has the following note:

	<u>Total</u>	<u>Current</u>
Chase Bank, Line of Credit of \$40,000	<u>\$ 40,000</u>	<u>\$ 40,000</u>
	40,000	40,000
USDA (Note Q)	<u>689,801</u>	<u>31,271</u>
	<u>\$ 729,801</u>	<u>\$ 71,271</u>

THE COORDINATING AND DEVELOPMENT CORPORATION
COMBINED BALANCE SHEET

JUNE 30, 2008

	DIVISION OF WORKFORCE DEVELOPMENT	DIVISION OF STEP	DIVISION OF KATRINA/NEC	DIVISION OF ECONOMIC DEVELOPMENT	DIVISION OF COMMUNITY DEVELOPMENT	DIVISION OF IRP	DIVISION OF TD	DIVISION OF MARKETING & ECONOMIC DEVELOPMENT	DIVISION OF LOCAL FUNDS	TOTAL
Assets										
Current										
Cash & Cash Equivalents	\$ 48,538	\$ 0	\$ 0	\$ 0	\$ 0	\$ 315,965	\$ 0	\$ 0	\$ 50,855	\$ 411,358
Accounts Receivable	114,356	5,859	3,442	25,550	53,816	895	4,353	8,250	4,174	220,695
Notes Receivable										
(Current Portion)	0	0	0	0	0	11,315	0	0	0	11,315
Due from Other Funds	0	0	0	0	0	35,007	0	0	56,962	91,969
Total Current Assets	158,894	5,859	3,442	25,550	53,816	363,182	4,353	8,250	111,991	735,337
Investments										
Certificates of Deposit	0	0	0	0	0	202,929	0	0	51,401	254,330
Notes Receivable										
(Net of Current Portion & Allowance)	0	0	0	0	0	11,058	0	0	0	11,058
Other Investments	0	0	0	0	0	349,956	0	0	0	349,956
Total Investments	0	0	0	0	0	563,943	0	0	51,401	615,344
Equipment (Net of Accumulated Depreciation)	0	0	0	0	0	0	0	0	0	0
Total Assets	\$ 158,894	\$ 5,859	\$ 3,442	\$ 25,550	\$ 53,816	\$ 927,125	\$ 4,353	\$ 8,250	\$ 163,392	\$ 1,350,681
Liabilities & Net Assets										
Liabilities										
Current										
Accounts Payable	\$ 158,894	\$ 5,859	\$ 3,442	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,055	\$ 180,250
Notes Payable	0	0	0	0	0	31,271	0	0	40,000	71,271
Due to Other Funds	0	0	0	25,550	53,816	0	4,353	8,250	0	91,969
Other	0	0	0	0	0	3,976	0	0	16,689	20,665
Due to Louisiana Dept of Labor/ Payroll Taxes	0	0	0	0	0	0	0	0	38,169	38,169
Total Current Liabilities	158,894	5,859	3,442	25,550	53,816	35,247	4,353	8,250	106,913	402,324
Long Term Liabilities										
Notes Payable	0	0	0	0	0	658,530	0	0	0	658,530
(Vacation Fund Payable)	0	0	0	0	0	0	0	0	1,124,973	1,124,973
Total Long Term Liabilities	0	0	0	0	0	658,530	0	0	1,124,973	1,783,503
Total Liabilities	158,894	5,859	3,442	25,550	53,816	693,777	4,353	8,250	1,231,886	2,185,827
Fund Balance (Deficit)	0	0	0	0	0	233,348	0	0	(1,068,494)	(835,146)
Total Liabilities & Fund Balance (Deficit)	\$ 158,894	\$ 5,859	\$ 3,442	\$ 25,550	\$ 53,816	\$ 927,125	\$ 4,353	\$ 8,250	\$ 163,392	\$ 1,350,681

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND OTHER SOURCES/USES
FOR THE YEAR ENDED JUNE 30, 2008

	DIVISION OF WORKFORCE DEVELOPMENT	DIVISION OF STEP	DIVISION OF KATRINA/NEG	DIVISION OF ECONOMIC DEVELOPMENT	DIVISION OF COMMUNITY DEVELOPMENT	DIVISION OF IRP	DIVISION OF TD	DIVISION & ECONOMIC DEVELOPMENT	DIVISION OF MARKETING	TOTAL
	\$ 182,218	\$ 107,678	\$ 188,782	\$ 98,649	\$ 0	\$ 6,998	\$ 9,000	\$ 1,001,013	\$ 4,515,963	
Revenues	\$ 2,921,625									
Expenditures										
Administrative Cost										
Salaries & Fringe Benefits	203,398	0	136,756	105,844	27,106	4,000	36,425	134,619	648,148	
Fringe Benefits	84,316	0	35,614	36,110	9,131	2,998	9,550	65,395	243,114	
Office Rent	12,026	0	10,903	11,559	5,747	0	4,938	112,972	158,145	
Contractual	0	0	0	0	0	0	5,944	0	5,944	
Office Supplies	5,529	0	3,149	4,002	0	0	1,967	2,829	17,476	
Vehicle	0	0	0	0	0	0	2,225	0	2,225	
Equipment Rental	3,290	0	1,039	1,102	175	0	326	24,263	30,195	
Printing	1,764	0	1,767	1,873	0	0	0	386	5,790	
Postage	2,076	0	1,497	1,586	77	0	0	1,218	6,454	
Telephone	616	0	551	584	327	0	0	1,351	3,429	
Advertising	1,487	0	1,230	1,307	0	0	250	5,044	9,318	
Insurance	72	0	1,092	1,577	1,690	0	0	0	4,431	
Dues/Meetings	281	0	794	2,518	4,618	0	1,571	17,371	27,153	
Accounting/Professional Fees	6,313	0	1,020	0	6,598	0	45	2,089	16,065	
Other Administrative Expenses	8,860	0	8,468	7,191	1,598	0	3,131	66,650	95,898	
Travel	9,802	0	2,266	3,646	0	0	2,087	6,390	24,191	
Bad Debt	0	0	0	0	(1,307)	0	0	0	(1,307)	
Total Administrative Cost	339,830	0	206,146	178,899	55,760	6,998	68,459	440,577	1,296,669	
Training/Support/ Vendor Adm.	2,581,795	182,218	107,678	0	0	0	0	0	2,871,691	
Total Expenditures	2,921,625	182,218	206,146	178,899	55,760	6,998	68,459	440,577	4,168,360	
Other Financing Sources/Uses										
Interest Income	0	0	0	0	18,508	0	0	4,111	22,619	
Transfers In	0	0	0	80,250	0	0	59,459	8,187	165,260	
Transfers Out	0	0	17,364	0	0	0	0	(165,260)	(165,260)	
Contributions to ARETC	0	0	0	0	0	0	0	(141,358)	(141,358)	
Interest Expense	0	0	0	0	(6,968)	0	0	(3,088)	(10,056)	
Transfers to AIDC	0	0	0	0	0	0	0	(542,629)	(542,629)	
Total Other Financing Sources/Uses	0	0	17,364	80,250	11,540	0	59,459	(840,037)	(671,424)	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	0	0	0	0	(44,220)	0	0	(279,601)	(323,821)	
Beginning Net Assets	0	0	0	0	277,568	0	0	(788,893)	(511,325)	
Ending Net Assets	0	0	0	0	\$ 233,348	\$	0	\$ (1,068,494)	\$ (835,146)	

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

	DIVISION OF WORKFORCE DEVELOPMENT	DIVISION OF STEP	DIVISION OF KATRINA/NEG	DIVISION OF ECONOMIC DEVELOPMENT	DIVISION OF COMMUNITY DEVELOPMENT	DIVISION OF IRP	DIVISION OF TD	DIVISION	
								OF MARKETING & ECONOMIC DEVELOPMENT	LOCAL FUNDS TOTAL
Cash Flows From Operations									
Excess of Expenditure and	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (44,220)	\$ 0	\$ (279,601)	\$ (323,821)
Other Financing Sources	0	0	0	0	0	1,307	0	0	1,307
Over Revenues and	(83,176)	312	19,104	(22,282)	(48,231)	0	(1,869)	750	(89,566)
Other Uses	0	0	0	0	0	(35,007)	0	0	(71,632)
Bad Debt Expense									
(Increase) Decrease..									
Die from Other Funds									
(Decrease) Increase In									
Cash Deficit	0	0	0	0	0	0	0	0	38,169
Accounts Payable	78,968	(3,977)	(19,104)	0	0	0	0	0	(2,410)
Other Payable	0	0	0	0	0	(1,033)	0	0	5,479
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,446</u>
Net Cash Provided By (Used By) Operations	(4,208)	(3,665)	0	(22,282)	(48,231)	(78,953)	(1,869)	750	(229,162)
Cash Flows From Investing									
Investing in Securities	0	0	0	0	0	131,037	0	0	259,234
Increase(Decrease) in Due									
To/From Fund Transfer	0	0	0	22,282	48,231	0	1,869	(750)	0
Increase(Decrease) in									
Vacation Fund Payable	0	0	0	0	0	0	0	0	25,418
Funds Repaid on Loans	0	0	0	0	0	8,264	0	0	8,264
	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,282</u>	<u>48,231</u>	<u>139,301</u>	<u>1,869</u>	<u>(750)</u>	<u>284,652</u>
Net Cash Provided By (Used By) Investing	0	0	0	22,282	48,231	139,301	1,869	(750)	495,585
Cash Flows From Financing									
Debt	0	0	0	0	0	0	0	0	40,000
Repayment on Debt	0	0	0	0	0	(30,962)	0	0	(85,175)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(30,962)</u>	<u>0</u>	<u>0</u>	<u>(116,137)</u>
Net Cash Provided By (Used By) Financing	0	0	0	0	0	(30,962)	0	0	(76,137)
Net Increase(Decrease) in Cash	(4,208)	(3,665)	0	0	0	29,386	0	0	10,315
Beginning Cash & Cash Equivalents	<u>48,746</u>	<u>3,665</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>286,579</u>	<u>0</u>	<u>0</u>	<u>379,530</u>
Ending Cash & Cash Equivalents	<u>\$ 44,538</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 315,965</u>	<u>\$ 0</u>	<u>\$ 50,855</u>	<u>\$ 411,358</u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor	Federal CFDA #	Grant Term	Program Amount	Revenues For Year Ended June 30, 2008	Expenditures For Year Ended June 30, 2008	Administration	Program
Nonmajor Programs							
US Department of Commerce	11.30	01/01/07-12-31/07	\$ 50,000	\$ 50,000	\$ 50,000	0	\$ 1,360
US Department of Commerce	11.30	01/01/07-12-31/07	37,500	37,500	37,500	187,555	168,800
US Department of Commerce	11.30	01/01/08-12-31/08	37,500	37,500	37,500	85,543	769,881
Total			125,000	125,000	125,000	104,298	940,041
Major Programs							
Workforce Investment Act/Dept of Labor							
Adult	FY07	07/01/07-06-30/08	120,000	1,360	1,360	0	\$ 1,360
Adult	FY07	07/01/07-09-30/07	187,555	187,555	187,555	187,555	168,800
Adult	FY08	10/01/07-09-30/08	855,424	855,242	855,242	85,543	769,881
Total			1,162,979	1,044,157	1,044,157	104,298	940,041
Dislocated Workers							
Emergency Response	PY06	07/01/07-10-31/07	136,030	136,030	136,030	13,603	122,427
Dislocated Workers	PY07	07/01/07-04/30/08	741,459	226,774	226,774	32,960	193,814
Dislocated Workers	FY08	10/01/07-09-30/08	818,851	652,008	652,008	75,420	576,588
			1,696,340	1,014,812	1,014,812	121,983	892,829
121,983	892,829						
Disability Program Navigator	17.266	07/02/07-06/30/08	50,000	29,595	29,595	0	29,595
Rapid Response	17.260	07/02/07-06/30/08	20,000	6,727	6,727	0	6,727
Trade Adjustment	17.260	07/01/07-06/30/08	200,000	63,205	63,205	0	63,205
Transfer	PY07	07/01/07-06/30/08	10,000	10,000	10,000	0	10,000
Youth	PY07	07/01/07-06/30/08	1,135,493	730,904	730,904	113,549	617,355
WIA Redesign	17.265	07/01/07-06/30/08	40,000	22,225	22,225	0	22,225
National Emergency	PY06	07/01/05-6/30/06	400,000	107,678	107,678	0	107,678
Step	FY07		312,704	182,218	182,218	0	182,218
			5,027,516	3,211,521	3,211,521	339,830	2,871,873
Less Step			(312,704)	(182,218)	(182,218)	0	(182,218)
Less National Emergency			(400,000)	(107,678)	(107,678)	0	(107,678)
Total WIA			4,314,812	2,921,625	2,921,625	339,830	2,581,977
Total			5,152,516	3,336,521	3,336,521	339,830	2,871,873

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of The Coordinating and Development Corporation and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

The Coordinating and Development Corporation did pass through Federal awards to subrecipients during the fiscal year, however no one recipient received \$300,000 nor did CDC expend any Federal awards in the form of noncash assistance.

THE COORDINATING AND DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2008

We were engaged to audit the financial statements of The Coordinating and Development Corporation (CDC) as of and for the year ended June 30, 2008 and have issued our report thereon dated December 21, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report expresses an unqualified opinion on the financial statements for the year ended June 30, 2008.

Section I - Summary of Auditor's Results:

- a. The report on internal control and compliance material to the financial statements reported the following items:
- Internal Control - There were no reportable conditions
 - Compliance - No noncompliance that is material to the financial statements
- b. Federal Awards:
- Workforce Investment - Grants awarded totaling \$3,701,372
 - Step - Grants awarded totaling \$312,704
 - Economic Development - Grants awarded totaling \$100,000
- c. Identification of Major Programs:
- WIA - Total revenues received during this year were \$2,658,310

Section II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

- None

Section III - Findings and Questioned Costs for Federal Awards Which Shall Include Audit Findings as Defined by OMB Circular A-133:

- None

THE COORDINATING AND DEVELOPMENT CORPORATION
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2008

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A
SECTION III MANAGEMENT LETTER	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A

HEARD McELROY & VESTAL

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December 29, 2008

Board of Directors
The Coordinating and Development Corporation (CDC)
Shreveport, Louisiana

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

We have audited the financial statements of the Coordinating and Development Corporation (CDC) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Coordinating and Development Corporation (CDC)'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CDC's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects CDC's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such as that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by CDC's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by CDC's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Coordinating and Development Corporation (CDC) are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the board of directors, management, federal awarding agencies, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy & Vestal, LLP

December 29, 2008

Board of Directors
The Coordinating and Development Corporation (CDC)
Shreveport, Louisiana

**Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133**

Compliance

We have audited the compliance of the Coordinating and Development Corporation (CDC) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Coordinating and Development Corporation (CDC)'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Coordinating and Development Corporation (CDC)'s management. Our responsibility is to express an opinion on the Coordinating and Development Corporation (CDC)'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Coordinating and Development Corporation (CDC)'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Coordinating and Development Corporation (CDC)'s compliance with those requirements.

In our opinion, the Coordinating and Development Corporation (CDC) complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Coordinating and Development Corporation (CDC) is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Coordinating and Development Corporation (CDC)'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CDC's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance what we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Heard, McElroy, Vestal, LLP